

1 is a rare opportunity for us on the West Coast to have some
2 impact on -- inside the beltway, and I hope we do.

3 And I want to just launch into localism. We've -- all the
4 experts have covered other areas, and I've been asked to speak
5 about localism because when you think about it, KCET is the
6 last remaining independent television station in Los Angeles.
7 That's scary to me because I know what kind of budget
8 challenges we're constantly facing.

9 But I also wanted to look a little bit more closely. When
10 I was asked to talk about localism, I thought, oh, I'd better
11 turn on the news and do my very own, very unofficial, less
12 meticulous survey than Marty has looked at and just kind of
13 seeing -- get a sense of how much local news is actually on the
14 local news. So I watched the three stations, between, you
15 know, 5:00 and 6:00 o'clock on Saturday. And my very
16 unofficial tally came out to be about -- this is just story
17 number -- about nine were what I call truly local. And I, by
18 the way, excluded sports and weather, and I just looked at what
19 the news content was. About nine stories were kind of local,
20 nine to ten, and about 15 were what I'd call nonlocal. But the
21 nonlocal stories, which mainly dominated by Iraq and SARS, was
22 by far -- consumed the most amount of time, and the local
23 stories tended to be 30-second (inaudible) and so forth, which
24 were comprised of things like a march against rape; although it
25 actually happened in San Jose, I'm actually cutting them some

1 slack. There were some dead tigers found at a facility that
2 was supposed to save them. Workers at a clinic came down with
3 a rash; very short story, could have been expanded on. A
4 district attorney filing murder charges against a mother in
5 Modesto; again I'm giving them some geographical slack here.
6 Travel insurance in this time of uncertainty.

7 Channel 4 did do a reprise in a sense of their restaurant
8 investigation. I guess the cockroaches were so successful in
9 the early sweeps that they're bringing it back. I shouldn't be
10 too cynical because it was, in many ways, the most sincere
11 public service effort that I saw on -- on the news on that day,
12 at least.

13 There was a house fire. Fires, of course, are standard
14 faire. An explosion in (inaudible). And then an actress -- I
15 haven't seen her -- Shelley Morrison from Will and Grace was
16 arrested for shoplifting, but at least it was a local Robinsons
17 and May store.

18 The rest of the news time, as I mentioned, was given
19 mainly to national stories, which if you were watching the news
20 you would see SARS and Iraq following, you know, in the network
21 news or preceding the local news, so there's a lot of
22 redundancy there.

23 There was also a story on Bush's tax plan, Pearl Harbor
24 homecoming, international space station, Chernobyl anniversary.
25 Important stories, yes. Local stories, no. Remember, nobody

1 in California has yet died from SARS -- let's hope it stays
2 that way.

3 And then, there's the not terribly important and not
4 terribly local. Another actor, I think it's -- is it Jamie
5 Foxx -- Jamie -- was arrested for refusing to leave a Las Vegas
6 casino. And then they have the movie reviews, which are really
7 movie ads for confidence and better luck tomorrow.

8 Now, this is, you know, fine. I suppose there were
9 some -- some valuable things in there. But bear in mind, put
10 this in perspective. This is happening in a state who is mired
11 down in the largest deficit in its history. Our local schools,
12 hospitals, housing, infrastructure, courts, city and county
13 budgets are taking a horrible beating. Virtually everything is
14 in crisis. But you certainly would not get that impression
15 from watching the local news, or a sense of what it would take
16 to solve it.

17 And also, sometimes local news can look local to those
18 people who -- just the viewer at home who doesn't understand
19 the complex system of feeds and satellites and all that kind of
20 thing. They'll watch a story, say, on blood pressure that was
21 sent down from who knows where to all the stations, narrated by
22 the local reporter, who didn't really cover the story at all.
23 And it's not that it doesn't have some good information but,
24 you'll never hear, for example, about how pregnant women who
25 live near our freeways give birth to lower birth weight

1 children, or how there's this, you know, otherwise wonderful
2 program on -- about teen pregnancies that's keeping mostly
3 minority girls in high school without getting pregnant.

4 So it's not that the things aren't valuable, but they're
5 edging out things that could be so much more valuable and
6 relevant to our communities.

7 I'm lucky in a sense. I worked for commercial news for
8 seven years and got my grounding and learned a tremendous
9 amount. But I'm also lucky that I was fired from a job at one
10 point and ended up at public television. And so I'm very happy
11 to be able to work on a program that takes localism very
12 seriously.

13 We've been on the air now, Life and Times, for more than
14 ten years. And we cover, as you know -- since I think most of
15 you here are from the area -- government, healthcare,
16 environment, education, race relations, growth, development.
17 We've looked at -- or will be soon looking at low wages that
18 are paid by otherwise lucrative casino -- casinos in -- on
19 Indian reservations. We looked at hydrogen-fueled vehicles in
20 Palm Springs, the DMV's crackdown on dangerous drivers,
21 earthquake faults underneath the troubled Belmont Center,
22 affordable rentals, et cetera, et cetera. Not to mention the
23 steady flow of interviews that allow an access by local people
24 to get on television, which is, if you watch national news,
25 doesn't happen to often.

1 We're also looking at a wonderful story coming up, a fifth
2 grade teacher here in Southern California who's doing virtual
3 miracles with poor immigrant children, who are scoring in the
4 top 10 percent of standardized tests and performing Shakespeare
5 plays. He's written a book, and we're going to feature him.

6 So this is the kind of thing we do. In addition to Huell
7 Howser, who everybody knows is up and down the state, in every
8 nook and cranny and presents Californians to other
9 Californians. And then a new state public affairs series and
10 news magazine, California Connected.

11 These things, however, are expensive. And the reason why
12 we are not an hour every night -- we're only a half hour -- the
13 reason -- I'd love to do 11½ hours worth of news, but it's
14 expensive. Even for, you know, public television viewers who
15 nevertheless still believe in sending us their \$40.

16 I do like to point out that I think it's safe to say that
17 the salary of one of the top news anchors in Los Angeles could
18 cover our production budget for half a year. So if they
19 get -- and also, localism goes beyond programming. At KCET
20 it's defined very much by our members. People who have to
21 write out a check have a relationship, have a connection to the
22 station that we care about very much, even though it also gives
23 them, they think, the right to call up and say, "Why'd you put
24 that show on television? I'm a member and so, therefore, I
25 veto it."

1 But that's a small price to pay.

2 We have an active community advisory board, outreach for
3 teachers, family day in the KCET lot, and now a new initiative
4 called KCED, which is just getting off the ground and just
5 being researched. And it will offer preschoolers and their
6 caretakers, both professional caretakers and your, you know,
7 Aunt Mildred, down the block, supporting material and a daily
8 program that will improve preschool education and readiness
9 because it is so crucial to the success of children in later
10 years.

11 So some would say, "Well, fine, wonderful, public
12 broadcast is doing all this wonderful stuff so, you know, let
13 the commercial stations do what they need to do. Public TV and
14 NPR, for that reason will pick up the slack." Again, we'd love
15 to but revenues, as you know, for nonprofits these days is
16 very, very difficult to raise.

17 We have an eight-person newsroom for a nightly program.
18 This in television is ridiculous. I'm sure anybody in TV will
19 tell you how small that is. We need to be three times that.
20 And, of course, if we -- our foundation support, which as been
21 very, very consistent and generous from the Whittier,
22 California endowment and previously the Irvine Foundation.
23 They've been there but, you know, television is still expensive
24 even by foundation standards. Only a few foundations can give
25 us the kind of grant that we need to -- to put on a nightly

1 program.

2 We also have to realize that KCET, despite the fact that
3 we've been on the air for ten years with this nice program, is
4 the exception. There are 360-something public TV stations
5 across the country, the vast majority of that can't even
6 possible put on a nightly program. Only maybe a dozen have
7 even tried. Most of them will have a weekly public affairs
8 show where you have discussion. A nightly news public
9 program -- public affairs program that really incorporates a
10 lot of local content, very unusual. WGBH in Boston did it for
11 a while. Even they lost their funding after, I think,
12 probably, seven or eight years. It's a tough thing to do. We
13 cannot simply dip our ladle into this ongoing stream of
14 revenue -- of advertising revenue. It doesn't work like that
15 in public television.

16 Cable shows address them, Bill Rosendal, for example, does
17 a lot of good public affairs, but it has limited reach. It's a
18 cable station -- or cable program. It goes to Adelphia viewers
19 only. And now who knows, after Adelphia executives have proven
20 themselves ethically challenged. We don't know where that's
21 going to go.

22 So however the debate on deregulation may be resolved, I
23 would urge some mechanism, some installation of a guarantee, an
24 incentive -- better be airtight because lawyers are great at,
25 you know -- they're like water, they'll reach into every nook

1 and cranny of the law -- but we need something that will
2 preserve and enhance coverage of truly local issues.

3 Rupert Murdoch, despite his nominal L.A. residency, really
4 doesn't care if there's a food bank problem in Los Angeles or
5 if housing development threatens to eat up Verdugo Hills or
6 social workers are overworked and underpaid. He can't worry
7 about it. I don't expect him to worry about it, but he won't
8 worry about it. Neither will the executives at General
9 Electric, Viacom, Disney, Time Warner, and apparently Micheal
10 Paul -- excuse me, Micheal Powell.

11 The Tribune Company, as you can see, as -- is part of this
12 consolidation and enjoying the benefits of it. I'm glad to
13 hear you say that the Tribune Company and those stations that
14 are owned by newspapers do more public affairs. That's very
15 encouraging to me, and I have to say, overall, I think the
16 Tribune Company coming to Los Angeles was a big improvement
17 given the couple of journalism scandals that preceded it. But
18 at the same time, if they take their reporting power and simply
19 distribute it more widely to other platforms, you're still
20 getting, you know, basically the same stories, just more wide
21 distribution. On the other hand a few -- fewer people -- if
22 too few people are reading the L.A. Times maybe that's a good
23 thing.

24 So I believe not -- I'm not saying they should read the
25 Times but if they don't maybe --

1 **MR. WESTEN:** Did you see Copps' picture in the Times this
2 morning?

3 **MS. ZAVALA:** No. Isn't that coincidental? Very good.

4 So finally, I'd -- there's a lot of talk -- my final point
5 is there's a lot of discussion about how this eats away and
6 erodes democracy. I actually think that the decline of
7 localism in news does more than threaten democracy. It's even
8 more fundamental than that. We're talking about just a basic
9 social fabric that's getting eroded. There are local churches;
10 schools; museums; businesses; sports leagues; theater groups;
11 youth orchestras; colleges; foundations, large and small;
12 myriad number of charities; civic groups; organizations, they
13 work with youths; senior citizens; disabled; the addicted; the
14 unemployed; the battered; as well as the talented; the eager;
15 the entrepreneurial; the bright and the ambitious. I know
16 because I get swamped constantly by press releases and e-mails
17 from people wanting, dying for attention, dying to get an ally
18 from -- an alliance on the part of local news stations. And as
19 Sylvia was saying, it is hard to get through to assignment
20 desks. They are the most cynical people in the world, and it's
21 really, really hard to get through to them.

22 So I hope that there's some opportunity in this change
23 that we're -- that is occurring. Localism means people can get
24 through to newsrooms. It's very important. Southern
25 California especially has 80 different languages, a growing gap

1 between the rich and the poor, a population more diverse than
2 any other state in the nation. What happens here is going to
3 be very important. And Los Angeles is not the only one, but
4 every single city in the United States needs a vital and
5 healthy local newsrooms. And so I urge you, as you consider a
6 structural change that will cast millions of Americans as mere
7 consumers in the global game of profit making, to build in
8 those assurances that local news and local reporting will not
9 just survive but thrive.

10 Thank you very much.

11 **MR. WESTEN:** Thank you, Val.

12 Our next panelist, John Connolly, has been a television,
13 film, and stage actor for over 30 years, is currently National
14 President of the American Federation of Television and Radio
15 Artists. John.

16 **MR. CONNOLLY:** Thank you very much.

17 Just a moment, I wanted to offer my greetings to many of
18 my members who are here today and even serving on the panel.
19 Clearly these questions are of central interest in the very
20 lives of media workers and that's one of the guises in which I
21 come to you today. I also want to acknowledge the
22 representation from the major broadcasting companies and media
23 companies today. I was pleasantly surprised to see delegation
24 from Disney, ABC, and Viacom. And it's always nice to meet
25 Shaun from Tribune. I think it's important that

1 representatives across the spectrum of opinion participate in
2 these forums. There's the smallest chance that we might
3 actually influence each other's perspective. So it's good
4 to -- it's good to be in the same room.

5 I don't bring the perspective of a scholar to this work.
6 I am a practitioner. This is how I earn my living, not as a
7 newscaster in this case but as a performer. The scholarly
8 work has been well reported and represented in both of these
9 panels and I really appreciate it. I do have the benefit of
10 significant amounts of objective research, which backs up to
11 some extent opinions of my -- I may express, including a very
12 important study commissioned by AFTRA, the Newspaper Guild, and
13 the Writers' Guild of America through the department of
14 professional employees of the AFL-CIO called Democracy
15 Unhinged. More media concentration means less public
16 discourse, and I would urge you all to take a look at our
17 website and take a look at it.

18 And I was also pleased to be here in this room a few weeks
19 ago to witness the presentation of Tyranny of 18 to 49, a
20 Annenberg Center discourse on demographics and the way they are
21 more narrowly driving programming choices in both entertainment
22 and news. And I think that these forces and the interplay
23 between them are things that we really need to think about and
24 I know that the Commissioners will think about in the process
25 of making these very difficult decisions they are faced with.

1 You know, it's a happy coincidence for me to be here, not
2 just as a practitioner and a representative of 80,000 media
3 workers, reporters, actors, musical artists, and hopefully soon
4 with our consolidation with the Screen Actors Guild, 150,000
5 media workers, but because of our position and our thoughts on
6 media consolidation --

7 (End of Side A, Tape 3. Beginning of Side B, Tape 3.)

8 **MR. CONNOLLY:** You know, there is -- there is genius in
9 government, sometimes. In the addition of the first ten
10 amendments to the Constitution, the Bill of Rights, there is
11 genius in that. It was not genius granted from on high. It
12 was genius forced under the force of arms because those first
13 ten amendments were in fact motivated not just by good feeling
14 and wisdom on the part of the original revolutionaries but by
15 armed conflict, which threatened the new republic if it did not
16 transform its standard of political participation from property
17 ownership to citizenship. And thus we ended up with the ten
18 amendments to the Constitution.

19 Similarly, the genius in government, which I find an
20 analogy to the first ten amendments to the Constitution, is
21 embedded in the original Communications Act. It is a simple
22 concept, which has proved more and more illusive as time has
23 gone on, and that is that the airwaves are public property.
24 This is a revolutionary concept, and a concept, which, if the
25 American people understand the implications of that ceasing to

1 exist as a practicality, could well result not perhaps in force
2 of arms discussion, but certainly in more of an uproar than
3 we've been able to experience thus far.

4 I think that Jonathan Taplin's comments in the last panel
5 were instructive in this regard.

6 When the public interest is defined, or redefined, as
7 essentially unregulated markets defining the public interest,
8 that somehow the invisible hand will merrily solve all media
9 ills, I think we're in problems. What we find, I believe, is
10 that the invisible hand fast becomes the mailed fist in the
11 velvet glove of competition solving all problems.

12 I think in part because of the '96 act, so much of this
13 has flowed from an over-enthusiastic belief and naive belief on
14 the part of the Clintonites of the democracy -- the promise of
15 democracy brought on by the dot com revolution. Well, we've
16 seen where that has ended up in terms of a promise of
17 democracy.

18 And I think, truly, the idiocy of a legal standard that
19 suggests that ownership rules should be automatically
20 eliminated if they're not constantly justified. If the public
21 owns the airwaves. If that is true.

22 Not to mention the simply practical problems -- I dare say
23 impossibility of conducting a thorough review on a biennial
24 basis. These are huge industries. Shaun gives a very
25 interesting rationale for why it ought to be biennial. Because

1 of the changes, they're very rapid, makes sense. But the
2 actual mass of information, to be able to digest, analyze, and
3 make policy on? Over a two-year period, I believe well nigh
4 impossible.

5 In terms of the local -- the way this is played out
6 locally, it's been said the duopolies, triopolies, have been
7 laid out in television. I'd like to point out that Clear
8 Channel Communications in radio has hit their eight-station
9 max. 1,250 stations nationwide, I should add. That Infinity
10 Viacom is at five stations here in the Los Angeles radio market
11 and ABC Disney with four. So we are getting some experience in
12 multiple station ownership. And indeed, I think that the FCC
13 should closely examine the cross-ownership rules that Shaun
14 discussed so ably.

15 Certainly with an eye to taking a look at how -- how can
16 cross-ownership prohibitions really function if in fact the
17 norm, because of 54 grandfathered waivers, really obviates the
18 rule? I'm not sure that it's really ever had a chance to
19 function because in every major market essentially
20 cross-ownership has been the norm rather than the rare
21 exception.

22 We've seen in -- and what we are hearing from our
23 reporters, the AFTRA reporters who work the news around the
24 country and here in Los Angeles, is as the newsrooms combine,
25 because of the economies of scale which were referred to, and

1 quite properly so, as business assessity. What in fact happens
2 over time is you have fewer worker voices, you have fewer
3 reporters with different perspectives on the news. Because you
4 have cross-utilization station to station. The firewall
5 between news and business direction in the station begins to
6 break down. And they find -- we find that more general
7 management personnel are involved in making news decisions
8 rather than news directors and the news staff. And the
9 interplay between the business needs of selling advertising,
10 keeping advertisers happy, and the needs of news, and the
11 ethics and objectivity of news reporting become compromised.
12 And in part, I believe this is inevitable and we've seen the
13 research because the economies of scale, not just in expenses
14 but in terms of revenues, drive decision making.

15 We've seen, not universally, thank God, but as close
16 enough to be within hailing distance, that sensationalism
17 begins to replace hard news in local newscasting. If it leads,
18 it bleeds is not a quip. It is a business plan. And it is a
19 problem. This is what we are hearing from the people who
20 write and deliver the news.

21 Should we actually compare, as Marty might be able to do
22 in his next study or Val in her experience -- should we
23 actually compare the numbers of minutes involved in local car
24 chases to the number of minutes debating the healthcare crisis
25 in California, the crisis of the uninsured, or the \$34 billion

1 budget hole and how we got there. The cookie-cutter market
2 pressures on radio have homogenized radio, local radio, to the
3 point of identity. And not just similar city to city
4 homogenization. In the case of Clear Channel literally the
5 elimination of local radio by use of automated voice tracking
6 out of their San Antonio facility. I'm happy to report that
7 last week, with 100 percent of the Clear Channel DJs in
8 New York, AFTRA stopped the importation of voice tracking into
9 the New York radio market cold. There will be live radio in
10 New York thanks to the solidarity of the fans and the DJs, and
11 I'm happy to report that to you.

12 Yes. Of course, I'll wrap it up.

13 There's a number of things I wanted to mention, but I'm
14 going to cut to the chase here, so to speak, and that is just
15 as an indicator of how undertold this story is:

16 There's a report that Melissa Gilbert of the Screen Actors
17 Guild and I gave to the executive council of the AFL-CIO six
18 week ago. When we reported what the process in the FCC
19 deliberations and the possible, probable outcome and the
20 timeline involved were, the look around the square hollow table
21 of the 50 highest labor leaders in the United States
22 representing 13 million people was of utter shock. They did
23 not know this was going on, and this was a pretty sophisticated
24 crowd -- despite what you may have heard or thought. And if
25 these folks with their hands on the pulse of the

1 inside-the-beltway political world were shocked, unnerved, and
2 moved to action, you can imagine the vast majority of our
3 fellow citizens who have no idea that this discussion is going
4 on. I will, in some remedy to this, be discussing with
5 President Sweeney later this week, the activation of the
6 multimillion member working families e-mail network. And we
7 will send out an alert about this discussion and urge millions
8 of our colleagues and citizens to participate in the happy
9 resolution of this discussion. Thank you.

10 **MR. WESTEN:** Thank you, John.

11 Our final speaker is Jay Levin, who's president of Share
12 with Other L.A., which creates public education around poverty
13 work. He's also chair of the Steering Committee of Media
14 Challenge and Founder of L.A. Weekly. Jay.

15 **MR. LEVIN:** Thank you. I, of course, want to thank the
16 Annenberg School and the law school and Sandra for making this
17 possible and for the Commissioner for coming.

18 I'm sitting here representing not just myself but most of
19 the -- much of the leadership and the -- of the groups that put
20 the antiwar demonstrators in the streets. Most of those people
21 came from existing social action organizations. And I -- the
22 Share With the Other L.A. campaign is a group of pro-bono media
23 volunteers who do public education about poverty in L.A.
24 County, and we work with an enormous range of coalitions and
25 grassroots organizations. So I'm here in that role as an

1 activist.

2 And in my media role, aside from founding the L.A. Weekly,
3 I've sat on boards of local -- low-power TV networks. I
4 started a cable network. I know the industry. So I -- I've
5 been on both sides of the power belt. The -- I want to thank
6 Val in particular and John as well because I've got so much to
7 say that they helped me refine it down. Val by pointing out so
8 much of the material that doesn't get covered locally.

9 The Share campaign originated to deal primarily with the
10 poverty issues in L.A. County. As we sit here right now, the
11 official poverty rate is 1.4 million people in L.A. County of
12 the 10 million people live in poverty. Now that's the official
13 rate. The actual rate is nearly 4 million people because in
14 fact the cost of living in L.A. is far higher than the national
15 cost of living, so the struggle here for people, the 40 percent
16 of our population who are not reflected in the news media, to
17 get by is overwhelming. So overwhelming that the County Health
18 Department found that 1.4 million people are "food insecure."
19 So bad is this situation that six to seven hundred thousand
20 people in the course of a year have serious bouts of hunger.
21 Of which about 500,000 of them are children. So this is the
22 county we live in, unbeknownst to the people who are not
23 suffering. This is the -- and that unbeknownstness is a pure
24 factor of the media.

25 It's a pure factor of the fact that this is not an

1 interesting story because it's not the kind bleeding that's
2 going to lead. It's not the kind of imaginations in local
3 television news that can say, let's make it -- this is -- this
4 is drama. Those people lining up at those pantries to eat --
5 to get barely nutritious food is drama. Those people who can't
6 get healthcare is drama. If we need drama, this is real drama.
7 This is happening in our community.

8 The wealth gap in this community is drama. The shift of
9 wealth nationally -- locally and nationally is drama. The
10 takeover of all media forms of -- media form and -- and the
11 control of what people get to know about social issues is
12 drama. That's not conceptualized in the local media. It's
13 certainly not conceptualized on KTLA since the -- since Tribune
14 took it over. It has never been. KTLA has actually been one
15 of the worst stations on covering the antiwar movement. It was
16 one of the worst -- had often the most misinformation about the
17 size of demonstrations. It denied -- it denied the
18 spokespeople from the movements space -- places to talk. And
19 in fact, it ignored some of the very fine reporting coming --
20 coming out in the L.A. Times.

21 L.A. Times was among those many newspapers that piece by
22 piece disproved everything Colin Powell had to say and
23 everything that the administration has had to say about why we
24 went to war in Vietnam. Every lie that was told the L.A. Times
25 reported. KTLA did not. And this -- it's not a mistake that

1 this happened, that KTLA would be -- would not do this. It's a
2 different market. It's a different world. It's a different
3 sensibility. It's a different culture. The idea that TV would
4 come -- that local TV would come in and make a difference by
5 cross-ownership belies the fact which John -- I can say in one
6 sentence because John said it so well -- belies the fact that
7 in fact the advertising culture makes a very big difference.

8 The second -- the second reason that we should not let
9 that happen on a mass level is because it doesn't end there.
10 It doesn't end when the Tribune captures these -- these
11 markets. It doesn't end because of the business -- business
12 rule called exit strategy. An exit strategy is, how do we
13 maximize our profit? And how do we increase our power and how
14 do we drive to consume and improve our bottom line? And the
15 takeover media merge in this country, in all industries, the
16 monopolizations of the media industry in particular are classic
17 examples of why -- why it will not end here.

18 So we can look down the road for 10, 15 years and maybe
19 we'll have FOX taking over the Tribune and buying Tribune
20 Company. And (inaudible) all these XTRA stations or Clear
21 Channel. Who knows where it's going to go? So it has to stop
22 somewhere. And now is a good a time as any and the rules are
23 as good a time as any. It not only has to stop, it has to go
24 in exactly the opposite direction to make it real difference.

25 Let me tell you -- let me tell you how corrupt this system

1 is, because that's so fundamental to the process here. The --
2 the core -- the core decision that was made some years ago
3 about media ownership and media control had one core -- one
4 important factor at a time that the electoral process was
5 moving into -- into having to use television and broadcast
6 for -- for campaigning. The cost of campaigning skyrocketed.
7 The TV -- the then-present TV companies fought diligently and
8 hard to make sure that they did not have to provide any public
9 airtime to candidates. So what's happened in the processes, of
10 course, is that every -- the candidates have to raise millions
11 of dollars from where the wealth is. The wealth is in -- the
12 wealth is in the hands of the corporate elite. Why is the
13 Democratic party lame? Because they have to compete there.
14 How do they keep -- how do we keep making sure that those
15 people who do get in don't -- don't buy it? Well, for one
16 thing, if we're media we -- we can threaten them with a story.
17 For another, we can buy them too.

18 So the media corporations are among the biggest campaign
19 donors. They spent millions of dollars in every election
20 cycle. To -- to guarantee that the rules don't change that
21 serve them so well. Viacom's net \$1.9 million in the last.
22 AOL-Time Warner, 1.4. The Disney Company, 1.2 million.
23 That's -- GE and -- G -- well if you combined GE, Microsoft --
24 there's 5.8 million. This is a lot of money going to -- very
25 precisely controlled hands. They know how to do this.

1 They know how to -- so what you have is -- you have, we
2 know have a system in which, unbeknownst to the public because
3 the TV networks will not tell the public that any of this is
4 happening -- we have -- we have a situation in which the
5 campaign the -- they can get from Congress, from the FCC,
6 certainly from the Bush Administration, which only acts on what
7 it's campaign donors do. There's 1,200 -- there's 1,200 key --
8 lobbying key -- key administration rules making positions in
9 the government in the various agencies. All 1,200 have been
10 filled by lobbyists from -- from the industries they're
11 supposed to regulate.

12 There is nothing that a campaign contribution -- you don't
13 see that on television. You don't see the television news
14 telling you where the -- the system is breaking down. That
15 everything -- the decisions being made in Congress that are
16 being ignored. Are being paid for -- are being paid for. You
17 don't see votes linked to it. You don't see any of this
18 coverage at all on television. You'll see some of it in the
19 newspapers, but like the war coverage, it doesn't drift over to
20 television. And for a good reason. Television doesn't want
21 mess with the system. It's a fix. They are -- they are the
22 twin pillars of what is not -- what is now an autocracy, a
23 plutocracy, an oligarchy -- name it what you want, it's not a
24 democracy. We live in the illusion of democracy. This roomful
25 and what we're doing here is an illusion of a democracy.

1 We have -- we have within the constraints of the -- the
2 social action groups and the peace groups created a new project
3 called Media Challenge. Media Challenge is -- is to mobilize
4 citizens to take on -- take on this behemoth directly, because
5 it's not -- it's not a game anymore. We have -- while we are
6 shifting huge amounts of money statewide -- and certainly
7 federally to -- to the wealthy, every single budget line that
8 affects poor people, that affects the middle class, like
9 transportation, veterans' benefits are being cut savagely.
10 With no coverage from the media, locally or nationally. We
11 are -- we are seeing a mass takeover from -- by a small group
12 at -- at the top.

13 And if that sounds Socialist, so be it. I'm -- it happens
14 to be that -- a capitalist reality that happening to us now.
15 And the -- and the -- the driving wedge to make this happen are
16 the five companies that -- that run the TV networks. They
17 control -- 58 percent of this public, unfortunately, gets its
18 bulk of its news and its sense of reality awareness from the
19 television networks, these five companies, the five companies
20 that control the TV networks. So 25 percent of them get it
21 from the conservative networks. So whatever else the rest of
22 us might think or believe or want to see happen, when push
23 comes to shove it doesn't end up in the public -- in the public
24 debate.

25 We have a world that doesn't get covered either in

1 entertainment news or in publishing news. We have a world
2 that's on the -- on the positive side, we see huge, huge, huge
3 historical awareness, awakenings and awarenesses in human
4 development. In ecology -- on the NGO level and grassroots
5 economics systems that can actually work. We see -- we have
6 the most profound reason in human history to be really positive
7 and hopeful. There are extraordinary solutions out there,
8 extraordinary vision, extraordinary human beings, not one of
9 whom will ever see the light of day in television or rarely see
10 the light of day in local -- either locally. They exist in
11 this community on every level -- on every level.

12 This community is diverse and interesting and rich
13 beyond imagination. You will not find that on local
14 television. The -- one more minute -- okay. On the other hand
15 the dark side, the nuclear -- the nuclear -- the nuclear
16 holocaust. The -- that's pretending -- the depleted uranium
17 holocaust, you know. The -- the corporate malfeasance
18 holocaust. All of this is -- this is ignored. So in the most
19 essential senses, what we deal -- media -- we leave the media
20 to deal not with the most important public space. Our lives,
21 our democracy, gets left to the trivialization of media. That
22 can't go on anymore if we're going to have a life -- if we're
23 going to have a meaningful life of our health, pocketbooks and
24 wealth. And a public health consciousness. The education of
25 our children. The very way we live on the planet.

1 Where we can have a nurturing culture, which -- a
2 culture that reflects the nurturing values rather than the
3 culture that reflects these -- these competitive values. These
4 male competitive values keep -- keeps predominant. We don't
5 see any of that on TV.

6 Finally, to sum up, we're not without -- Media
7 Challenge, we've been talking to the media democracy groups.
8 We've come up with a number of things we think are extremely
9 important. Of course stopping this dead is -- is important.
10 Beyond that we want -- we want to see a return to, but even a
11 far greater -- far greater controls on the licensing of local
12 TV networks.

13 They -- the idea that they perform in the public group
14 interest before -- license renewals, of those licenses renewals
15 come up very frequently. Every three years or so -- two, three
16 years or so. That they be very, very, rigorously enforced
17 and -- and the understanding what's in the public good and
18 public interest be there. That's necessity.

19 We think there ought to be fees paid -- huge fees
20 paid in which -- for any -- for any use of public airtime or
21 the underground channel space. We think that that money should
22 go into fostering a -- as in Europe, a large segment of
23 public -- public television. And we think that -- and
24 community controlled television with whole new rules written
25 about who gets to have access.

1 And finally, we think that news as it exists -- and
2 we -- and with Media Challenge we're telling the news
3 (inaudible) we're going to do everything we can to stop you
4 directly. And we are going to do everything we can to stop
5 your legislatively. We think that the news -- news must be
6 divorced from profit. That -- that their fees have to go into
7 a fund, that other organizations and institutions get the --
8 get to make the news and decide what the news is. My time is
9 up. Thank you.

10 **MR. WESTEN:** Thank you. Let me first thank the panelists
11 for their really extraordinary contributions. Also, the USC
12 Annenberg School of Communications and the USC Law School for
13 hosting this event, Sandra Ortiz. And finally, Commissioner
14 Copps and Commissioner Adelstein, who were kind enough to join
15 our proceedings.

16 Because of the shortness of time, we want to proceed into
17 the opportunity for public comments right away. Before we
18 do -- and Sandra will take over that part of the proceeding --
19 let me just conclude with two very brief thoughts on this last
20 panel involving the First Amendment and presumptions -- a legal
21 term.

22 First, H.A. Liebling once said that freedom of the press
23 belong to the man who owns one. It can also be said that
24 freedom of speech belongs to us all. And by placing the First
25 Amendment -- by placing in the First Amendment both freedom of

1 speech and freedom of -- freedom of speech and freedom of
2 press, the framers set up a very interesting and important
3 dualism.

4 We need the press. We depend on the press for a
5 full, wide-open range of diverse and robust ideas. In fact,
6 the press is probably the only institution, private
7 institution, in the Constitution that's given protection. It's
8 the only private business that receives constitutional
9 protection and it's that important. But if the press becomes
10 too large and too concentrated, then potentially an unlimited
11 press can impair freedom of speech, our freedom of speech. To
12 express ourselves through outlets and to hear a full, wide-open
13 range of ideas. So balancing between these two freedoms is an
14 extraordinarily difficult but important task.

15 And the second involves presumptions. We never have
16 perfect information. So do we -- does the FCC loosen the
17 ownership rules unless someone can prove evidence of abuse? Or
18 does the FCC preserve, retain or even tighten the ownership
19 rules unless someone can prove that increased concentration is
20 harmless?

21 In each case it requires a presumption. A presumption
22 that greater concentration is good or a presumption that
23 greater concentration is bad.

24 The difficulty is that -- that the courts seem to be
25 saying that the FCC cannot retain the existing rules unless

1 there is shown evidence of potential harm. It's very difficult
2 to accumulate without putting it in place and trying it. In
3 the scientific world, we run experiments. In the public policy
4 world, those experiments are very difficult to run because they
5 are very hard to unravel.

6 So I would conclude by saying that the FCC is really
7 confronting an extraordinarily difficult job. And when this
8 issue gets to the United States Supreme Court, as it undoubtedly
9 will, the Court will not only have to decide whether it's
10 judgements are correct in terms of loosening or retaining
11 ownership rules. They will also probably have to begin to
12 consider the balance between freedom of speech and freedom of
13 press. And ultimately, they will have to decide whether the
14 presumptions that Congress and the courts have placed on the
15 FCC are themselves constitutional.

16 In other words, has it tilted too far in favor of
17 freedom of the press to acquire or is enough deference being
18 paid to the individual's freedom of speech, both to speak
19 through the media and to hear through the media?

20 Extraordinarily difficult and important challenges that
21 will affect, undoubtedly, our children through the next
22 century.

23 So thank you very much for being with us and let me turn
24 it over to Sandra. Thank you.

25 **MS. ORTIZ:** Those of you who signed up for public